

EXHIBIT G



Winston H. Hickox
Secretary for
Environmental
Protection

California Regional Water Quality Control Board San Diego Region

Internet Address: <http://www.swrcb.ca.gov/rwqcb9>
9174 Sky Park Court, Suite 100, San Diego, California 92123
Phone (858) 467-2952 ♦ FAX (858) 571-6972



Gray Davis
Governor

April 26, 2002

In Reply Refer to:
AST:40-0449.05:bsp

Ted Bromfield, Esq.
Senior Deputy City Attorney
Civil Division
1200 Third Avenue, Suite 1100
San Diego, California 92101

Mr. Chris Gonaver
City of San Diego
9601 Ridgehaven Court, Suite 310
San Diego, California 92123

Mr. Jeremiah D. Jackson, Ph.D., P.E.
Vice President
AMEC Earth and Environmental
5510 Morehouse Drive
San Diego, California 92121

Mr. Tony Clark
AMEC Legal Services
AMEC Inc.
801 - 6th Avenue SW
Calgary, Alberta, Canada, T2P 3W3

John M. Dillard, Esq.
Law Offices of John M. Dillard
313 North Birch Street
Santa Ana, California 92701-5603

Mr. Tim Duddie
Tri-County Drilling, Inc.
9921 Carmel Mountain Road, Suite 265
San Diego, California 92129

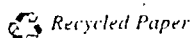
Gentlemen:

**RE: RECOVERY OF REGULATORY OVERSIGHT COSTS FOR INVESTIGATION
AND CLEANUP OF THE DISCHARGE FROM THE CHEVRON PRODUCTS
COMPANY PIPELINE RUPTURE BENEATH BELT STREET**

Mr. Chris Gonaver, representing the City of San Diego (City), has notified the San Diego Regional Water Quality Control Board, San Diego Region (Regional Board) that the City will prepare the workplan and preliminary site conceptual model for the soil and groundwater investigation to be conducted at the location of the ruptured Chevron Products Company pipeline. The Regional Board directed the City, AMEC Earth and Environmental, Inc. (AMEC) and Tri-County Drilling, Inc. (Tri-County) to submit these documents by letter dated November 13, 2001. These documents were to be submitted to the Regional Board no later than January 25, 2002. To date, the Regional Board has not been provided with these documents.

The Regional Board acknowledges and appreciates the City's promise to provide the reports. However, these reports are late, and are needed to ensure that an adequate soil and groundwater investigation is conducted to assess the potential threat to the water quality of San Diego Bay from the discharge of petroleum hydrocarbon wastes from the ruptured product pipeline. Be advised that for each day that the documents are overdue potential administrative civil liabilities are increasing.

California Environmental Protection Agency



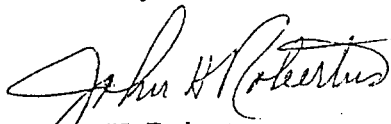
April 26, 2002

The Regional Board sent letters to the City, AMEC, and Tri-County on November 29, 2001, requesting them to voluntarily participate in the Aboveground Petroleum Storage Act oversight cost recovery program. To date, the City, AMEC, and Tri-County have not submitted acknowledgement letters agreeing to participate in this program. If the City, AMEC, and Tri-County fail to enroll in the cost recovery program, the Regional Board's only option is to order the recovery of oversight costs, including back costs to the date of the discharge, in a Cleanup and Abatement Order.

Enclosed is a copy of my November 29 letter, which includes a sample acknowledgement letter. I urge you to submit as soon as possible an acknowledgment letter agreeing to participate in the cost recovery program.

If you have any questions concerning this letter, please contact Mr. Barry S. Pulver of my staff at (858) 467-2733.

Sincerely,



John H. Robertus
Executive Officer

Regional Water Quality Control Board, San Diego Region

cc: Mr. Ted Olson
City of San Diego
9601 Ridgeway Court, Suite 310
San Diego, California 92123